

PRESERVED

App. F. IX-4

1940

193 .

File No. 29-40

Serial Nos. 1015

Previous References

Legis 37-39 (1-6, 9)

()
Legis

Later References.

(12)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos.

Part B for July 1940.

SUBJECT.

Amendment of Section 15 — Money
Lenders Act.

No. P. 155 of 6-7-40 The Agent, Imperial Bank
of India, Bangalore
States that Govt do not consider desirable to
make the amendment suggested.

WD 0573-GPB-22,500-12-9-89

B.B. Chamberlain

23-7-40.

Serial
No.*From**The Agent, The Imperial Bank of India**letter dated 6 May 1940**reporting that the Compound interest may be made chargeable with "quarterly" rests instead of "yearly"*

1 The provision about yearly rests in section 15 was added by the Select Committee.

2 The Imperial Bank was originally exempted from sections 14 to 17. ~~also~~. This point was reconsidered later. The practice of Banks of charging compound interest with quarterly rests was also considered in this connection. In his ^{note} on this subject Mr. Justice Subrahmanya Iyer has said, "But the section is capable of the interpretation and this appears to be the correct interpretation that whatever the nature of the rests may be, the total interest that may be allowed to be recovered as calculated according to the stipulation should not exceed interest at 6% with annual rests." Later on he says, "Though it is desirable not to interfere with the business and methods of the Banks, the point is that they cannot claim a privilege to charge a higher rate of interest than is allowed to ~~an~~ ordinary moneylenders."

3 These sections relating to interest were thereupon made applicable to the Banks originally exempted.

4 The present request is that compound interest may be made chargeable with quarterly rests. This would amount

File No.

of 194

General and Revenue
Secretariat.

Serial
No.

an enhancement in the rate of interest payable by a
debtor.

Submitted for orders.

-5) JUN
16.

Law Secy)

8315

6) No doubt ~~that~~ the Banks keep their account
with quarterly rests and ^{not} annual. But Section 15
deals with cases in courts and whatever
may be the method by which the interest is
added to the capital by the Banks, the Court
will not allow interest more than that
prescribed in the Act. The suggestion of the
Bank may not be accepted at present.
The Act has to be amended; if the Govt intend
to incorporate the same. The working of the
Act may be ^{watched} ~~examined~~ for sometime and
then if necessary, the question may be
reconsidered.

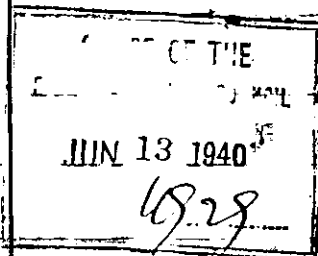
I Member)

Hm
13/6.
-- JUN 13/6

7) A draft reply may be
up for consideration

ALL
13/6/46

Hm
14/6.
JUN 14/6



Amendment of section 15- Immig. Census Act

General and Revenue
Secretariat

File No.

of 194 .

[App. F. III-2

Serial
No.

A draft up to the Bank is submitted as instructed
at para 7 above.

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28/4/40

MMV
29/6

Law Secy)

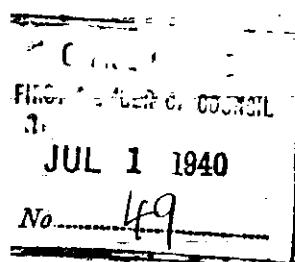
I Member)

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MMV
1/7

MM
4/7/40

Hm
4/7/40

Imes P155 dets 6th July 1940 to the Agent. Imperial Bank of
India.



IMPERIAL BANK OF INDIA

7333
p827

LETTERS TO BE ADDRESSED TO
THE AGENT

TELEGRAPHIC ADDRESS
"THISTLE"

BANGALORE 6th. May 1940 .

The Chief Secretary to
the Government of His Highness
the Maharaja of Mysore,
B a n g a l o r e .



Sir,

THE MONEY LENDERS ACT.

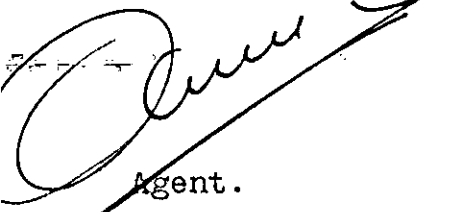
I have the honour to request your kind reference to Notification No.P.6337—Legis.37-39-6 dated the 20th March 1940 qualifying the exemption previously accorded to the Imperial Bank of India and certain other institutions from the provisions of the above Act.

In accordance with the Notification referred to the Imperial Bank of India is no longer exempted from the provisions of Sections 14 to 17 (both inclusive) of the Act. These Sections relate to interest and No.15 limits compound interest to 6% per annum with yearly rests.

I have the honour to submit that the practice in the Imperial Bank and in other institutions has been for many years to apply interest with quarterly rests. It is in fact an established Banking custom to apply interest quarterly and not annually. I therefore pray that before

ie Money Lenders Act is brought into force, the word
"yearly" in Section 15 may be altered to "quarterly".

I have the honour to be,
Sir,
Your most obedient servant,



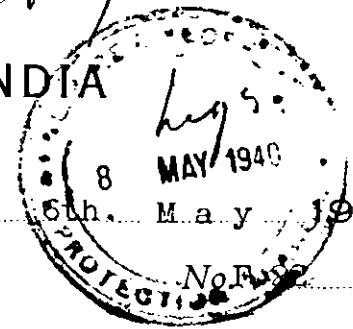
Agent.

7341 B3
IMPERIAL BANK OF INDIA

LETTERS TO BE ADDRESSED TO
THE AGENT

TELEGRAPHIC ADDRESS
"THISTLE"

BANGALORE 6th May 1940.



Dear Mr. Narayana Rao,

8/5-
MAY 8/5
Mysore Money Lenders Act of 1939.

With reference to your kind D.O.No.P.6891 of the 19th ultimo, I understand that you wish a formal representation to be made by the Imperial Bank of India to the Government of Mysore in the matter of altering Section 15 of the above Act to permit the application of interest quarterly instead of yearly. I have accordingly formally addressed the Chief Secretary to the Government of Mysore in the matter and now enclose for your information a copy of my letter.

I shall be most grateful if you will give your support to the alteration in question.

Yours sincerely,

H.V. Narayana Rao, Esq., B.A., LL.B.,
Secretary to the Government,
Law Department,
Government of Mysore,
Bangalore.

IMPERIAL BANK OF INDIA

RS TO BE ADDRESSED TO
THE AGENT

GRAPHIC ADDRESS
"THISTLE"

BANGALORE 6th. May 1940 .

No.

The Chief Secretary to
the Government of His Highness
the Maharaja of Mysore,
B a n g a l o r e.

Sir,

THE MONEY LENDERS ACT.

I have the honour to request your kind reference to Notification No.P.6337—Legis.37-39-6 dated the 20th March 1940 qualifying the exemption previously accorded to the Imperial Bank of India and certain other institutions from the provisions of the above Act.

In accordance with the Notification referred to the Imperial Bank of India is no longer exempted from the provisions of Sections 14 to 17 (both inclusive) of the Act. These Sections relate to interest and No.15 limits compound interest to 6% per annum with yearly rests.

I have the honour to submit that the practice in the Imperial Bank and in other institutions has been for many years to apply interest with quarterly rests. It is in fact an established Banking custom to apply interest quarterly and not annually. I therefore pray that before

the Money Lenders Act is brought into force, the word
'yearly' in Section 15 may be altered to "quarterly".

I have the honour to be,
--- Sir,
Your most obedient servant,

(Sd) J.A.Gill.

Agent.

Copy to H.V.Narayana Rao, Esq., B.A., LL.B., Secretary to the
Government, Law Department, Bangalore, with reference to
his D.O.No.P.6891 of the 19th April 1940.



Agent.

IMPERIAL BANK OF INDIA

LETTERS TO BE ADDRESSED TO
THE AGENT
TELEGRAPHIC ADDRESS
"THISTLE"

BANGALORE 24th. May 1940.

No.

1807

The Chief Secretary to
the Government of His Highness
the Maharaja of Mysore,
B a n g a l o r e.



THE MONEY LENDERS ACT.

I have the honour to invite your kind attention
to my letter dated the 6th instant regarding the above -
named Act and shall be very much obliged by a reply,
particularly to the concluding paragraph thereof, to enable
me to advise my Madras Local Head Office in the matter.

I have the honour to be,
Sir,
Your most obedient servant,

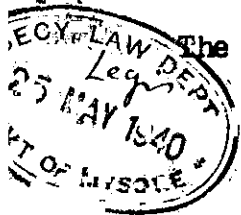
Agent.

IMPERIAL BANK OF INDIA

TO BE ADDRESSED TO
THE AGENT
TELEGRAPHIC ADDRESS
"THISTLE"

BANGALORE 24th. May 1940.

No. 1801



The Chief Secretary to
the Government of His Highness
the Maharaja of Mysore,
B a n g a l o r e.

Sir,

THE MONEY LENDERS ACT.

I have the honour to invite your kind attention
to my letter dated the 6th instant regarding the above -
named Act and shall be very much obliged by a reply,
particularly to the concluding paragraph thereof, to enable
me to advise my Madras Local Head Office in the matter.

I have the honour to be,
Sir,
Your most obedient servant,

(Sd) D.H.S.McDonald.

Agent.

Copy to H.V.Narayana Rao, Esq., B.A., LL.B., Secretary to the
Government, Law Department; Bangalore.

A large, stylized handwritten signature in dark ink, likely belonging to the Agent mentioned in the text.

Agent.

A small, handwritten mark or signature at the bottom right of the page, possibly a correction or a second signature.

No. P155 & 6.7.40.

DRAFT.

The Agent,
The Imperial Bank of India, Bangalore.

Sir,

MYSORE MONEYLENDERS ACT.

I am directed to invite reference to your letter dated the 6th May 1940 on the above subject and to state that the substitution of the word "quarterly" for "yearly" in section 15 of the Mysore Moneylenders Act would amount of to an enhancement in the maximum rates of interest fixed in the Act. ~~Since there is no prohibition in the Act for applying interest~~ ^{does not prohibit the application of} with quarterly rests so long as ^{the} compound interest at a rate exceeding six percentum per annum with yearly rests is not recovered by a moneylender. ^{And that in these circumstances} I am to ~~add that~~ Government do not consider it desirable to make the amendment suggested by you.

I have etc.,

H. V. S. S. S.

Secretary to Government
Law Department.

M. V.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore. *6th* July 1940.

No. *P155*

From

*The Chief Secretary to the Government of His Highness
xxx the Maharaja of Mysore.*

To

Law Department.

The Agent,

The Imperial Bank of India, Bangalore.

Sir,

MYSORE MONEYLENDERS ACT.

I am directed to invite reference to your letter dated the 6th May 1940 on the above subject and to state that the substitution of the word "quarterly" for "yearly" in section 15 of the Mysore Moneylenders Act would amount to an enhancement of the maximum rates of interest fixed in the Act. The Act does not prohibit the application of interest with quarterly rests so long as ~~the~~ compound interest at a rate exceeding ~~the~~ six percentum per annum with yearly rests is not recovered by a moneylender. I am to state that in circumstances Government do not consider it desirable to make amendment suggested by you.

I have the honor to be,
Sir,
Your most obedient servant,

H. V. 6/1/40.
Secretary to Government
~~on~~ Law Department.